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UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, :

Plaintiff, :

- v. - :

ALL ASSETS OF ASA DRUGS, INCLUDING	:	DECLARATION IN SUPPORT
\$207,644.00 IN UNITED STATES	:	<u>OF DEFAULT JUDGMENT</u>
CURRENCY ON DEPOSIT AT JP MORGAN	:	
CHASE, IN ACCOUNT NUMBER 106 067	:	07 Civ. 3587 (MGC)
681 865;	:	

ALL ASSETS OF NASH PHARMACY,	:
INCLUDING \$1,492,892.00 IN UNITED	:
STATES CURRENCY ON DEPOSIT AT JP	:
MORGAN CHASE, IN ACCOUNT NUMBER 106	:
067 344 365; and	:

ALL ASSETS OF STAY SLIM PHARMACY,	:
INCLUDING \$128,534.00 IN UNITED	:
STATES CURRENCY ON DEPOSIT AT JP	:
MORGAN CHASE, IN ACCOUNT NUMBER 106	:
067 626 065,	:

Defendants-in-rem. :

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ANNA E. ARREOLA, pursuant to 28 U.S.C. § 1746, declares
 under penalty of perjury as follows:

1. I am an Assistant United States Attorney in the
 Office of Michael J. Garcia, United States of Attorney for the

Southern District of New York, attorney for plaintiff herein. I have responsibility for the above-captioned matter, and, as such, I am familiar with the facts and circumstances of this proceeding. This declaration is submitted in support of plaintiff's request for a default judgment in the above-captioned case.

The Verified Complaint and The Indictment

2. This action seeks forfeiture of the assets of three pharmacies, including the following bank accounts at JP Morgan Chase:

- (1) Account Number 106 067 681 865, in the name of ASA Drugs;
- (2) Account Number 106 067 344 365, in the name of Nash Pharmacy, and
- (3) Account Number 106 067 626 065, in the name of Stay Slim Pharmacy

(collectively, the "Defendant Accounts"). The United States commenced this action on May 4, 2007 by the filing of a verified complaint (the "Complaint"). A copy of the Complaint is attached hereto as Exhibit A and is fully incorporated by reference herein.

3. The Complaint alleges that the Defendant Accounts contain proceeds of a scheme to defraud Medicaid, which is a Federal health care benefit program. As alleged in the Complaint, Muhammad Nawaz Ahmad and Muhammad Ejaz Ahmad (together, the "Ahmad brothers") controlled three pharmacies—

Stay Slim Pharmacy, ASA Drugs, and Nash Pharmacy (collectively, the "Pharmacies")—which they used to launder proceeds of the health care fraud. The Ahmad brothers and others, including Mohammad Tanveer, caused the Pharmacies to bill Medicaid for prescriptions for HIV-related medications that were never dispensed to any patients or for dispensed medications that were obtained from unlicensed, illegal sources. As a result, the Pharmacies received millions of dollars in Medicaid reimbursements which were deposited into the Pharmacies' assets, including the Defendant Accounts, where they were commingled with legitimate proceeds from the Pharmacies' legitimate business.

4. On May 17, 2007, this Court issued an arrest warrant in rem for the Defendant Accounts. I have reviewed records maintained by the Department of Justice in a consolidated asset tracking system. According to these records, the Federal Bureau of Investigation seized the following amounts from the Defendant Accounts on or about June 5, 2007 pursuant to the arrest warrant in rem:

- (1) Approximately \$209,084.16, from Account Number 106 067 681 865
- (2) Approximately \$1,495,871.78, from Account Number 106 067 344 365
- (3) Approximately \$127,647.27, from Account Number 106 067 626 065

5. On December 12, 2006, a grand jury sitting in this District returned a three-count Indictment, 06 Crim. 1135 (JGK), charging Muhammad Nawaz Ahmad, Muhammad Ejaz Ahmad and Mohammad

Tanveer (collectively, the "Defendants") with conspiracy to pay illegal kickbacks, in violation of 18 U.S.C. § 371 (Count One), conspiracy to defraud Medicaid, in violation of 18 U.S.C. § 1349 (Count Two), and with using the means of identification of real persons in connection with the Federal health care fraud conspiracy charged in Count Two, in violation of 18 U.S.C. §§ 1028A and 2 (Count Three). The Indictment included a forfeiture allegation providing notice of the Government's intent to seek forfeiture of all property derived from proceeds traceable to the commission of the offenses charged in the Indictment, including the Defendant Accounts.

Notice of the Complaint and Arrest Warrant In Rem

6. As alleged in the Complaint, Muhammad Nawaz Ahmad is the co-owner of Stay Slim Pharmacy and ASA Drugs. The other co-owner is Sobia Shaheen, Muhammad Ejaz Ahmad's wife. Shaheen is also the owner of Nash Pharmacy. Mohammad Tanveer was an employee of Nash Pharmacy.

7. In or about May 2007, notice letters and a copy of the Complaint were sent by certified mail, return receipt requested, to the Defendants and their attorneys in the criminal case: (1) Muhammad Nawaz Ahmad's attorney, at David E. Ruck, 270 Madison Avenue, Suite 1500, New York, New York 10016; (2) Muhammad Nawaz Ahmad, at [REDACTED], Floral Park, New York 11001; (3) Muhammad Ejaz Ahmad's attorney, Jeffrey Alan Granat, at Jacobson and Goldberg LLP, 585 Stewart Avenue, Suite

720, Garden City, New York 11566; (4) Muhammad Ejaz Ahmad, at [REDACTED], Albertson, New York 11507; (5) Mohammad Tanveer's attorney, Harold L. Levy, at Flamhaft, Levy, Kramins, Hirsch & Rendeiro, LLP, 16 Court Street, Ste. 3301, Brooklyn, New York 11241; and (6) Mohammad Tanveer, at [REDACTED], Queens Village, New York 11427.

8. Notice was also sent by certified mail, return receipt requested, to the following: (7) Sobia Shaheen at [REDACTED], Albertson, New York 11507; (8) Stay Slim Pharmacy, 1166 Coney Island Avenue, Brooklyn, New York 11230; (9) Nash Pharmacy, 47-07 Francis Lewis Blvd, Bayside, New York 11361; and (10) ASA Drugs, 99-06 63rd Road, Rego Park, New York 11374.

These are the only persons known by the Government to have a potential interest in the defendants in rem. Return receipts were received for all of the letters except the letters sent to Nash Pharmacy and ASA Drugs. The notice letters and return receipts are attached hereto as Exhibit B.

9. Notice of the verified complaint and notice of the arrest warrant in rem against the Defendant Accounts were published in The New York Daily News once in each of the three successive weeks beginning on July 20, 2007, and proof of such publication was filed with the Clerk of this Court on May 15, 2008. A copy of this proof of publication is attached hereto as Exhibit C.

Claims and Stipulations of Dismissal

10. Two claimants have filed a claim in this action: (1) Muhammad Nawaz Ahmad, whose claim, dated June 25, 2007, is attached hereto as Exhibit D, and (2) Muhammad Ejaz Ahmad's wife, Sobia Shaheen, whose claim, dated July 6, 2007, is attached hereto as Exhibit E.

11. Muhammad Nawaz Ahmad and Muhammad Ejaz Ahmad subsequently pled guilty to the Indictment pursuant to plea agreements with the Government. Under the terms of the agreements, the defendants admitted the forfeiture allegations in the Indictment and agreed to forfeit all right, title and interest in the Defendant Accounts.

12. Pursuant to his plea agreement, Muhammad Nawaz Ahmad withdrew his claim by signing a "Stipulation and Dismissal of Claim of Muhammad Nawaz Ahmad," which the Court signed on August 13, 2008 and which is attached hereto as Exhibit F.

13. Sobia Shaheen withdrew her claim by signing a "Stipulation and Dismissal of Claim of Sobia Shaheen," which the Court signed on August 13, 2008 and which is attached hereto as Exhibit G.

14. The Government has provided adequate notice pursuant to Rule G of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Claims. First, the Government provided direct notice to the only known potential claimants—the Ahmad Brothers, Sobia Shaheen, and the Pharmacies—

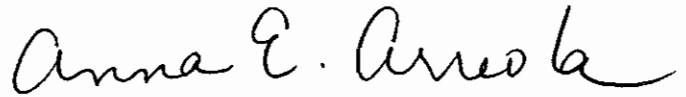
and to the Defendants' attorneys. See Rule G(4)(b)(iii)(B) ("Notice may be sent to the potential claimant or to the attorney representing the potential claimant with respect to the seizure of the property or in a related investigation, administrative forfeiture proceeding, or criminal case."); see also Bye v. United States, 105 F.3d 856, 857 (2d Cir. 1997) (finding adequate notice where "the government sent notice to the attorney who represented Bye in his then-pending related criminal proceeding"). Second, the Government complied with the publication requirements of Rule G, which requires publication once a week for three consecutive weeks in a newspaper generally circulated in the district where the action is filed or where the property was seized. Rule G(4)(a).

15. Publication was completed in August 2007 and direct notice was sent in or about May 2007. The only claims filed in this action have been withdrawn, and the requisite time periods for any other claimants to appear have expired. See 18 U.S.C. § 983(a)(4)(A) ("any person claiming an interest in the seized property may file a claim asserting such person's interest in the property in the manner set forth in the Supplemental Rules for Certain Admiralty and Maritime Claims, except that such claim may be filed not later than 30 days after the date of service of the Government's complaint or, as applicable, not later than 30 days after the date of final publication of notice of the filing of the complaint"); Rule G(4)(b)(ii) (claim must be filed "at

least 35 days after the notice is sent"); Rule G(5)(a)(ii)(B) ("if notice was published but direct notice was not sent to the claimant or the claimant's attorney," claim must be filed "no later than 30 days after final publication of newspaper notice").

16. Accordingly, the Government requests that the Court enter the proposed Default Judgment against the funds formerly on deposit in the Defendant Accounts.

Dated: New York, New York
September 5, 2008

A handwritten signature in cursive script, reading "Anna E. Arreola".

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